

SEPTEMBER 1959

CALIFORNIA  
INSTITUTE OF

# Manage



- HIDDEN COSTS OF ACCIDENTS
- HOW DO YOU MEASURE UP?
- A CLERGYMAN LOOKS AT MANAGEMENT
- LABOR UNIONS AND PUBLIC SERVICE



MARION N. KERSHNER

*...from the executive vice-president*

## **Report to the Membership**

**A MANAGEMENT DEVELOPMENT OPPORTUNITY** more beneficial than the upcoming 36th NMA National Conference in Detroit next month would be hard to find.

Developed over a period of 36 years, this annual event has come to be recognized as the greatest gathering of professional managers in the world. This year some 1200-1500 members of American industrial supervision will meet at Detroit's Statler Hotel October 21, 22, 23, to listen to the views of nationally-recognized authorities, to learn new trends and techniques in the field of supervisory management, and to exchange their ideas with those of other managers like themselves.

George Romney, President of American Motors Corporation, and NMA Management Man of The Year, is one of several highly-successful executives who will address the meeting. Romney's success with the "Rambler" in the compact car field undeniably gains him a reputation for sound management policy and practice.

Alexander F. "Casey" Jones is a proponent of the free enterprise system whose newspaper editorials are read 'round the world. Almost daily in his own Syracuse Herald-Journal, Casey Jones explains one facet or another of our American economy. This much-honored executive editor is the NMA Free Enterprise Writer of The Year.

L. I. Woolson, Vice President and Director of Corporate Manufacturing Staff and Service, Chrysler Corporation; E. F. Scoutten,

*(Continued on page 66)*

# Manage



**EDITOR: H. G. Loudenback**

**WASHINGTON CORRESPONDENT**

*Michael S. Roberts*

**EDITORIAL BOARD**

Marion N. Kershner, chairman  
John W. Brown, club service  
Norman George, research  
William Levy, education  
H. G. Loudenback, public relations

**BUSINESS AND CIRCULATION MANAGER**

*L. E. Nangle*

**NMA NATIONAL OFFICERS**

G. Eldon Tufts, president  
Robert W. Caldwell,  
first vice-president  
George W. Tomlinson,  
secretary-treasurer

## INSIDE THIS ISSUE

**Washington Report:** Labor Reform Legislation below the effective mark. . . . Unions overplay their hands in Washington. . . . Depreciation law change chances brighten as seeds are sown in Congress. . . . Page 4.

**News Section:** New tracking system for missiles in use. . . . Principal worries of management revealed by survey. . . . NLRB makes plans to revise its rules and regulations. . . . Telling a junior executive to "slow down" is bad advice. . . . Page 8.

**The Measure of a Foreman:** What does it take? . . . How can it be done? . . . How do you measure up as a foreman? . . . Page 17.

**The Experts** answer an article in the July issue of Manage. . . . Must reading—for the experts and the supervisor. . . . Page 49.

### ON THE COVER

*One of the amines units at the Wyandotte, Michigan, works of Pennsalt Chemicals Corporation. Amines—organic ammonia compounds—are used by such industries as rubber, pharmaceuticals, petroleum, surface coatings, utilities, textile, mining and agriculture. An unusual safety feature of this unit is the 150-foot escape chute in the foreground.*

MANAGE is published monthly on the 25th by THE NATIONAL MANAGEMENT ASSOCIATION (formerly The National Association of Foremen) as its only official publication. Entered as second-class matter September 9, 1952, at the post office in Dayton, Ohio, under the Act of March 3, 1879. Printed in the U. S. A. Publication office 230 West Fifth Street, Dayton 2, Ohio. All address changes and publications returned under postal regulation 3579 should be sent to editorial offices in Dayton. Editorial and executive offices: 333 West First Street, Dayton 2, Ohio. Copyright 1959 by The National Management Association. Subscription rates: annual U. S., \$5.00; foreign, \$7.50; single copy, 50 cents. Bulk subscription rates upon request.

**CIRCULATION THIS ISSUE: OVER 70,000, DOMESTIC AND FOREIGN.**



# Washington Report . . . .

. . . . for supervisors

by Michael S. Roberts

## UNION CONTROL PUSH MAY GROW

Drive to curb labor racketeering, picketing abuses, and the unchecked and often abused power of a few top union leaders may not stall now after all.

Movements are building up which could keep enough pressure on Congress over the next few years to eventually see badly-needed checks placed on the economic, social, and financial power of today's massive labor monopoly—to the benefit of workers as well as management.

Union leaders have been counting on the normal "one-shot" nature of such reform movements. They figured that if they could force passage of weak legislation this year, they would be safe from further control efforts for years. They may be wrong.

This year's labor reform drive, which fell short of an effective mark, may just be the start of the same kind of movement which eventually placed fairly effective curbs on business abuses through three powerful antitrust laws.

## UNIONS OVERPLAY HAND

The new and apparently deeper support for reining in unions grew while the labor reform bill was under debate in the House Labor Committee. It stems from two things:

The widespread resentment by scores of congressmen over the blatantly arrogant lobbying of labor representatives, particularly Jimmy Hoffa's Teamster tribe.



The steel strike deadlock—the fourth big and expensive stoppage since World War II in an industry where workers are the highest paid in the country.

Fuel was added to the fire by charges at the same time that Hoffa had used \$3 million of union funds to pay off racketeers and slashing attacks on Teamster corruption, racketeering, perjury, and income tax evasion by Sen. McClellan. Hoffa's reply "to hell with them" (in effect, the Congress) didn't help any either.

The combination of the union activities and the steel strike focused attention on the bigger problem of drawing up ground rules to check union boss activities. Present laws of forced bargaining, coupled with lack of control over unions, mean that one individual—a Hoffa, Reuther, MacDonald—can stop cold almost at a whim the entire steel, auto, or transportation industries. Hundreds of thousands of workers, some union members, some not, some in other industries, are thrown out of work whether they support a strike or not. The nation loses production and income, the government badly-needed tax revenues.

### STRICT RESULTS POSSIBLE

If this drive continues, the timetable over the next few years might look like this: First, eventual firm controls over abuses of union members and management by union bosses through effective controls over some forms of picketing and a tight "bill of rights" for members.

Then, to protect the country, some type of control over union monopoly power, probably by making unions subject to the antitrust laws.

Finally, a new system of government regulation of collective bargaining, at least in major industries such as steel, autos, transportation, aluminum, chemicals, electrical and electronics, and a few others. This is inevitable if the other measures fail to force responsible union activity and labor-management relations, top government and Congressional leaders have told this correspondent privately.

## DEPRECIATION CHANCES BRIGHTEN

Seeds are being sown now which may bear fruit next year in industry's constant plea for major improvements in industrial tax depreciation laws.

Important members of Congress as well as the U. S. Treasury are now admitting that business is being hamstrung, production slowed, and the economy generally suffering under badly outmoded restrictions on tax write-offs of machinery and facilities.

Treasury Department brass last month quietly started a survey of selected major industrial firms. They want to know present depreciation practices and what each firm favors in the way of changes.

A Senate Small Business Committee hearing focused attention on the depreciation problem in late July. This hearing is only a prelude to the important study of depreciation which will open before the House Ways and Means Committee in November. The Senate group can't write tax laws—but the House Committee will.

## PROBLEM HITS ALL FIRMS

The problem is simple. Present laws require a firm to write off major capital equipment over 20 to 40 years, the usual "useful life" of most facilities. But rapid technical changes and quickened business policies usually make a machine economically obsolete long before it is physically worn out.

Without adequate tax depreciation laws, firms cannot recapture even the original cost by the time equipment is to be replaced. It must be used past its most productive life, or replacement purchased out of profit, which depletes capital available for expansion and for attracting investors.

Many businessmen are pleading for an "inflation-proof" depreciation law which will permit equipment to be written off for tax purposes in 5 to 15 years and at replacement cost rather than original cost. Others want a bracket system, whereby a taxpayer can select any depreciation rate within a prescribed bracket.

## SECURITY MUDDLE LINGERS

There'll be no quick or easy solution to the present U. S. Supreme Court-created muddle in the industrial security program.

Legislation to restore the program has been introduced in both the Senate and House. But it'll be some time before any action is taken.

Meanwhile, the government's right to refuse security clearance to a worker in a defense plant is under a serious legal cloud. Whatever the solution, all security clearances may have to be reissued.

The high court ruled that the program had never been legally authorized either by Congress or the President, but simply put into effect by the Defense Department.

## 'DUE PROCESS' URGED

The court also took a ~~step~~ at the failure of the old system to give an ~~assessed~~ security risk the right to confront his accusers or have access to government evidence.

The government and the sponsors of this legislation generally appear to agree with Supreme Court Justice Tom Clark, the lone dissenter in the ruling, that "no one" has a Constitutional right to have access to the government's military secrets." Security clearance is granted as a convenience to the government in securing production. But the measures all make some provision to meet the Supreme Court's objections to the original program.

It's possible that if Congress fails to act this year, the White House will attempt to restore the program simply by issuing a Presidential Order. The high court did not rule whether this would be sufficient, or what the new program must contain.

---

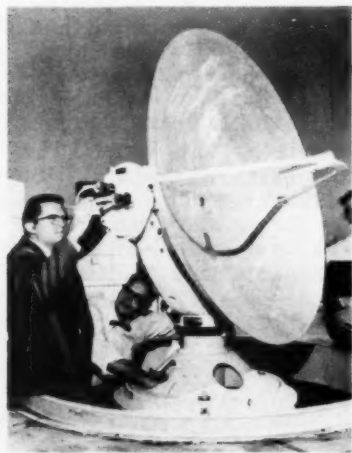
*For the latest in management information coming out of Washington read Michael S. Roberts' Washington Report For Supervisors each month in Manage Magazine.*



### **New Tracking System for Missile Range**

Plans for an improved missile tracking instrumentation system designed to give the Air Force more precise and reliable data during missile firings were announced by Maj. Gen. Donald G. Yates, commander of the Air Force Missile Test Center, Fla.

Called Azusa Mark II, it will



be one of the most accurate electronic tracking systems known. It is designed to measure changes in missile position of one-tenth of a foot at distances of hundreds of miles down range from Cape Canaveral.

The Mark II also will be used on forthcoming missiles and probes into deep space. Plans call for construction of an antenna field consisting of ten antennas and necessary support facilities. The antennas are undergoing final checkout at the San Diego plant of Convair, Division of General Dynamics Corp. The four-foot parabolic antennas transmit signals between airborne missiles and the ground station for precise determination of missile position. The data is sent to a computer which gives an instantaneous prediction of where the missile would land if its power were cut off.

The Azusa system is entirely

automatic and one man will be able to push one button and the equipment will track a missile automatically. Maintenance will be simplified by built-in test equipment which will indicate failures and help locate them in the intricate electronic system.

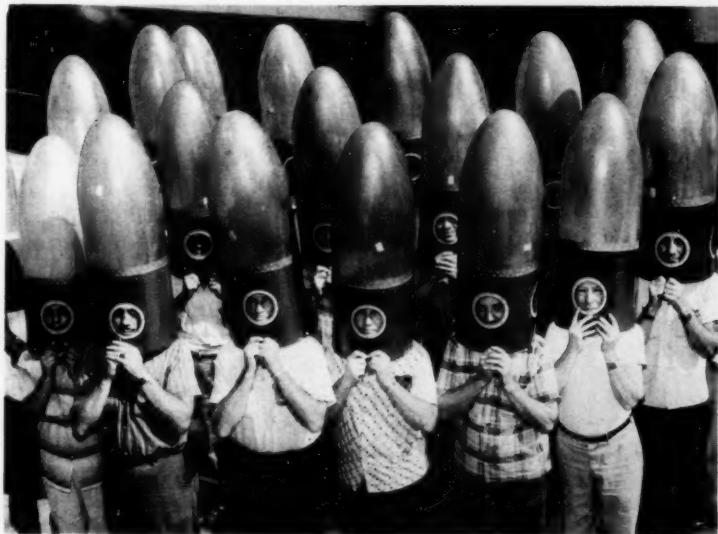
### **New Space Helmets?**

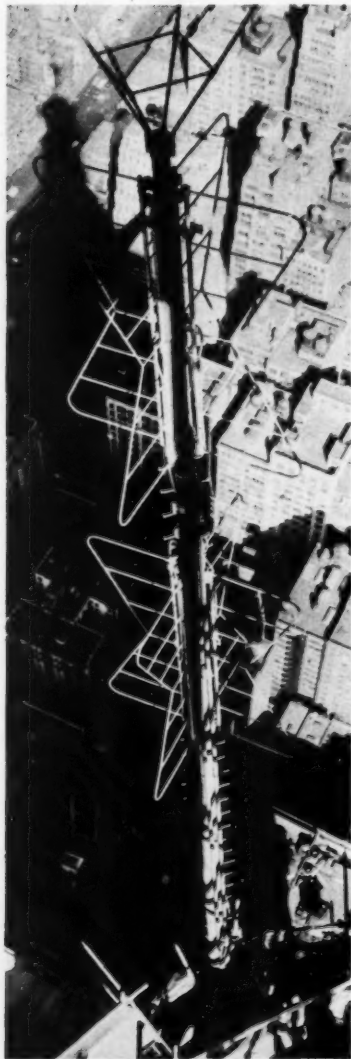
No, at Ryan Aeronautical Co., San Diego, employees are peeking at photographer Ted Lau through the camera holes in wing-tip pods for Ryan Firebee jet targets. Cameras snap pictures of unleashed missiles as they home on the Firebees in flight.

### **Interview Recorder**

Complete flexibility of operation is possible with Dictaphone Corp.'s new DIRS (Dictaphone Interview Recording System) thanks to its four sources of power: (1) built-in rechargeable battery, which allows interviewer to use it anywhere; (2) car cigaret lighter, into which DIRS recorder can be directly plugged without use of an inverter; (3) auxiliary power pack; and (4) any 110-volt AC outlet, which also recharges batteries through built-in recharger. Red plastic Dictabelt provides permanent, unalterable record of interview.

---





### 15 Year Service—TV Antenna

The Bakelite vinyl coating on the CBS-TV antenna, located atop the Empire State Building, has passed the halfway mark in its expected 15-year service.

Manufactured by Sapolin Paints, Inc., and based on Bakelite vinyl resin, the finish was specified to last from antenna installation in 1950 through 1965. Already in its ninth season, the finish has successfully withstood temperature extremes, salt air from New York harbor and abrasion from wind, weather and general work repairs on the structure.

### Principal Worries of Management

What are the principal worries confronting the management of U. S. industry?

A survey of 630 presidents summarizing the business headaches of manufacturing companies throughout the country, indicates that waste and rising costs constitute their largest problems.

The management people rated employee cooperation and quality control as the next problems in order of their importance. These were followed by managerial concern in these categories: Full use of equipment and skills—customer—sales and competition.

The Sheldon-Claire Co., consultants in employee motivation, attracted responses from 63 per cent of 1,000 industrial executives throughout the United States.

Of the 630 executives answering the questions, 50 replied that they were worried about employee resistance to automation.

#### **A Step Forward**

Pan American World Airways has ordered 12 special long-range Lockheed 207 prop-jet airfreighters as a further step to effect a drastic reduction in air cargo rates to Europe, Africa, Middle East, South America, and the Orient. Total cost, including spares, is 60 million dollars.

• • •

### **N.L.R.B. TO REVISE RULES, PROCEDURES**

The National Labor Relations Board, in a move to streamline and expedite its processes, has announced the establishment of a committee to revise its rules and regulations and statements of procedure.

The committee will be composed of N.L.R.B. officials both in Washington and in the regions, and prominent private practitioners in the field of labor-management relations law. It is the first such com-

mittee ever established by the board.

Board Member Joseph A. Jenkins was designated as chairman.

William Isaacson of New York City, president of the Labor Law Section of the American Bar Association, and Gerard Reilly of Washington, D.C., past president of this group, have been asked to serve.

N.L.R.B. officials on the committee, in addition to Jenkins, will include Frank M. Kleiler, executive secretary to the board and James V. Constantine, solicitor to the board. George Powell, an N.L.R.B. trial examiner, will serve as the representative of the Labor Law Section of the Federal Bar Association.

Jenkins said that invitations will be extended to other past presidents of the Labor Law Section of the American Bar Association. Comments of the various state bar associations also will be sought.

Problems which the committee is scheduled to investigate include the matter of producing documents for board hearings, means of pre-trial discovery of evidence, and any possible inconsistencies between the statute and the board's rules.

# "STOP PUSHING"

## *Is Bad Advice to Executive*

Telling a junior executive to "slow down or you'll have a heart attack" may be adding just one more reason for him to remain tense and anxious, a New Jersey psychiatrist warns.

He is already suffering from an emotional—and perhaps psychosomatic—disorder, which "is itself a stress, and a disgrace in our society's thinking," according to Dr. Richard E. Gordon, Englewood, N. J.

Warning the executive of serious emotional illness, heart attacks or early death—all of which he has already seen in his friends and relatives—merely adds a new worry. The new worry causes further tension and produces new symptoms. Then the new symptoms add to the fears, and a vicious cycle is under way.

The only way to help such persons is by clear explanation of how their symptoms and disorders came about and by practical suggestions about ways they can change their lives to meet the problems, Dr. Gordon wrote in the August 8 JOURNAL OF THE AMERICAN MEDICAL ASSOCIATION.

It might even be possible to help these persons through

organized classes—especially in rapidly growing suburban areas where the rate of emotional and psychosomatic disorders is highest, Dr. Gordon said.

Such classes could be patterned after those given to expectant mothers to help alleviate post-delivery emotional difficulties. Two 40-minute classroom sessions have been quite effective in helping women make necessary changes in their lives.

He based his suggestion on findings of a study comparing the rates of psychosomatic ailments in a rapidly growing suburb with that of more stable communities. The suburb had a much higher rate of psychosomatic ailments (ulcers, heart disease, and high blood pressure), probably because many of the residents are "upwardly mobile."

They are striving to rise socially and economically "out of the working class into subexecutive white-collar jobs and lesser managerial positions," Dr. Gordon said.

But they face a serious problem in their rise toward greater executive responsibility because they were not "born to



the class" as were many of the men who are top executives.

The upwardly mobile person has to learn everything the hard way—by personal trial and success or error, Dr. Gordon said. He "may have a great deal to lose and know it. If his decision backfires he may lose his job and his future and be thrown back to the insecurities of his past. He wears his responsibility heavily."

In addition, he has usually been sensitized by the stresses of his early life, which makes him more susceptible to psychosomatic ailments.

The financially and socially well-to-do person, however, has usually been burned less in his early years. Also, he is often well established, so that "he cannot be much hurt if he makes a bad decision," Dr. Gordon noted. "He has not much to fear from the past, present or future, so can relax at the end of the day, can exercise, look after his health and play." He has a lower rate of psychosomatic disease.

Psychosomatic illness and emotional disorder will disappear in the upwardly mobile person only when he feels he is secure and is able to relax. However, before that time comes, he may have undergone irreversible physical changes. To prevent this, he must learn

to cope with his problems as he goes along. It is the physician's responsibility to teach him this, Dr. Gordon concludes.

---

### Flashlight Guaranteed for Five Years

A powerful, full beam flashlight guaranteed for five years has been introduced by Gulton Industries, Inc., Metuchen, N. J.

The Life Lite "Super 200" throws an intensive beam for up to two hours of continuous use, and is recharged overnight at a cost of less than one cent.

Designed for all household, industrial and outdoor applications, the Super 200 will require recharging once every three months in ordinary use.

To recharge, the flashlight is pulled apart, and the battery portion is plugged into any 110 volt, AC outlet, or the auto cigarette lighter. The Super 200 cannot be overcharged no matter how long it is left plugged in and will always be ready for any situation.



## *Special Report . . .*

# Management at a Glance

by Alfred K. Allan

### **More Managers**

A research team at Princeton University in New Jersey has found that managerial and executive personnel are on the increase.

According to the Princeton findings, managerial and executive personnel has increased in number in recent years on the average of 32 per cent while, during this same time, the number of production workers has increased by only about one per cent.

### **Some Suggestions from Secretaries**

Miss Eleanor Casebier of the School of Commerce at Northwestern University recently surveyed 42 secretaries and stenographers employed by 24 companies in Chicago as to what suggestions they would make, if they could, to their bosses for improving their working procedures. The trim and efficient secretaries had plenty of good ideas to suggest:

*The boss should give secretaries an opportunity to use*

*their own initiative and judgment sometimes.*

*The boss should take upon himself the responsibility for any decisions pertaining to general office policy.*

*The dictation should be organized so that it can be given one or two times during the day rather than at a number of irregular times.*

*The boss should always keep the secretary apprised as to his whereabouts and where she can reach him if she needs him.*

*The work should be carefully organized so there will be no rush jobs near closing time.*

*The boss should speak clearly into dictating machines—"no mumbling," the secretaries said frantically.*

*If a secretary's services are being shared by several executives, then the executives should agree among themselves as to the best way the secretary can divide her time among them.*

Miss Casebier also found that the average secretary she in-

interviewed spent one-third of her day at the typewriter and that she works a six-hour day, due to breaks, an average one-hour lunch period and time lost sitting around waiting for work to be given her. As to the breaks: Miss Casebier found that they weren't excessive. The average secretaries and typists take three 11-minute breaks which amount to only seven per cent of the working day.

### **Over Sixty-Fives Still Work**

According to statistics compiled by the Bureau of the Census of Metropolitan Life Insurance, a sizable number of our nation's senior citizens continue to work.

More than half of the 65-69 age group in our country still is actively part of the labor force. And this isn't all, some two-fifths of the 70-74 age group continue to hold jobs and one-sixth of the over 75 group also have remained employed. Most of these people work full time.

Those older workers who leave the work force retire for several reasons, the Metropolitan research people have found. "Many retire voluntarily or because they have reached mandatory retirement age. Pension plans, Social Security and life insurance bene-

fits have made it possible for an increasing number of people to retire. Since the incidence of disabling disease rises rapidly with advance in age in later life, failing health and physical disabilities are among the major reasons for older workers leaving the labor force."

### **Retired Executives Still on Payrolls**

A number of companies aren't putting their retired executives completely "out to pasture," according to a survey recently conducted by the National Industrial Conference Board.

Some 278 manufacturing firms cooperated in the survey. About half of them said they used retired executives in some capacity in their company operations and added, "We welcome the presence of retired officers and directors for the experience and judgment they can contribute."

Different arrangements are made for retired executives by each company. In some, the retired executives are consulted occasionally and informally. Others use retired officers now and then on particular projects. A number of companies have entered into formal agreements with the retired executives,

giving them the title of "consultants."

These executives are on a stand-by basis, ready to offer advice to the company when asked to do so. These agreements often are set sometime before the executive actually retires, and in a number of instances, it was made part of an employment contract with the company. The agreements run on the average from three to ten years, and a good percentage of them state that the executive will receive a specific retainer fee as soon as he retires.

Office space and stenographic assistance is provided for their "consultants" by about one-fourth of the reporting companies. However, this usually doesn't include a private office, but only a reasonable amount of space and stenographic help.

One-eighth of the surveyed companies appoint retired men to internal committees or ask them to take part in committee activities. These assignments however, are given infrequently and only when a former officer's knowledge, background and experience are needed for the committee's proper functioning.

#### **Labor in 1975**

What will management have to face as far as the labor force

is concerned in the year 1975? Clark Kerr, a recognized authority on labor economics at the University of California, predicts that there will be "a considerable shortening of the hours of work—down to a 1,700 hour work year instead of the present 2,080 hours. Management will be paying premium rates to workers on disagreeable jobs—even more than to skilled employees who will constitute a much greater part of the work force."

"There will be a rise of possibly 40% in real income. The rise in income will be greater than in productivity, causing a 'mild' inflation," Kerr concludes.

#### **Faith at Work**

Lee H. Bristol, Jr. a business executive in Florida, suggests that everyone should include spiritual dedication in their jobs. Bristol says everyone should ask themselves these questions about their jobs:

"Are you in a job you can pray about or should you change? Would you admire as honorable the way the company does business were you not yourself a member of the concern? Have you done anything differently this week because of the inner promptings of your faith?"

(More on Page 58)

# How Do You Measure Up As A Foreman?

***Many problems in the factory can be traced to poor human relations which, in turn, result from weakness in supervision.***



*by Robley D. Stevens, Management Consultant*

**S**OUND MANAGEMENT-LABOR RELATIONS are essential to economical and efficient operations. It is possible for your factory to get a better day's work when mutually satisfactory relationships exist between them.

A systematic merit rating program will provide your management with the information essential to gain the highest supervisory quality and performance, as well as building and keeping competent foremen. Any merit rating program is not a substitute for intelligent and enlightened personnel relations, but one can be applied in a practical manner to help foremen improve their efficiency.

Skills and abilities of all employees should be fully utilized. The burden of effecting this falls squarely upon management. If foremen are ineffi-

cient, full utilization of employees is licked from the start. Increase in labor turnover rates arising from competition for skilled workers may be minimized by providing high quality supervision.

Good supervisory selection and training is important to every employer, but if it is not supported by good supervisory rating, it may substantially nullify your program. Giving supervisory rating to those

who lack the personal qualities and abilities required by foremen is like watering a garden where nothing has been planted.

### **Value is Two-fold**

All employers in our American free enterprise system—large or small—are concerned with cost. Yet, an improperly selected, trained and rated foreman may be costly. This factor is increasingly recognized by management. It's a rare thing to find any organization which considers its supervisory jobs today in the light of rewards for dogged, faithful service. A systematic, purposeful approach to filling supervisory jobs seems to be the rule in management.

The value of a supervisory merit rating program is twofold. It not only gives management a clear picture of which foremen are below or above par, but it also affords a factual and non-emotional basis for discussing each foreman's good points and weak points with him with a view toward bringing up his work and his supervisory performance.

A supervisory merit rating program that fulfills such requirements pays dividends. It can turn up supervisory talent that otherwise might never be recognized. In a smaller factory, persons with good supervisory potentials are frequently overlooked. In a large factory the risk of this is substantially magnified. The program also should spotlight supervisory talent obscured by one or the other factor.

Authorities in management say that a merit rating system for foremen is a sort of insurance policy against the appointment of people who just can't make the grade as foremen. The program also helps to bolster workers' morale.

The knowledge that a definite merit rating program is in effect often relieves the anxiety of workers that they may not get the recognition they actually merit and that others, less worthy, get preferment. It also salves the wounds of employees disappointed in their expectations, to know that their abilities were considered, and they may try again for the next opening as a foreman.

Today, many companies endeavor to find people within their organizations who can be promoted to the job of a foreman whenever a vacancy occurs. They seem to do this since it has a definite bearing on the growth, development and keeping of competent foremen. Today, more and more skilled workers in American industry seem to be looking for jobs that offer career opportunities. If management holds to such a policy of promotion from within, employees will feel that your organization offers these career possibilities.

The first step in any merit rating program entails that of job analysis—what the foreman does and the requirements for his job. Job analysis provides pertinent information relating to the nature of a job.

Often, however, in the analogous situation of selecting a foreman, there is some temptation to try to fill the job without realizing more fully that anything more than a foreman is wanted. All supervisory jobs have some common elements. It seems important to recognize that no two supervisory jobs are identical, because in many instances, the differences are as important as the similarities.

Today, employers in the competitive enterprise system are in need of foreman leadership of the highest quality. It is an art that may be acquired, cultivated, and practiced by all who supervise, but it is a continuing process.

A careful determination of the background and characteristics required for supervisory job can eliminate many undesirable and unqualified persons for the job.

Here is a self-revealing, self-analysis chart for every foreman. It can enable foremen to determine their adequacies or inadequacies for further growth. Check your answers with a "yes" or "no."

### **Foreman's Self-analysis Chart**

#### **1. Understanding My Organization**

Do You . . .

Understand the functions of your job and your department and how they contribute to the total program of your company?

Show each employee how his job fits into the over-all picture?

Know how to determine the lines of your authority and responsibility?

Determine the number and types of workers needed?

Make a logical assignment of your employees based on a clear outline of your authority and responsibility?

#### **2. Getting the Work Out**

Do You . . .

Give instructions that are clear, understandable, and specific?

Review your work for progress in meeting your schedules?

Coordinate the work of your department?

See that your employees do what is expected of them?

Emphasize the control of cost?

Eliminate necessity of overtime work?

Resolve your production problems at once?

#### **3. Your Planning and Schedule Work**

Do You . . .

Keep up with the workload?

Give priorities of work and schedule proper attention?

Plan for best use of manpower, space and equipment?

Set realistic goals for your employees?

Allow employees to participate in setting their own goals?

#### **4. Improve Your Working Methods**

Do You . . .

Analyze your department operations?

(Continued on Page 54)



## THE HIDDEN COSTS

### *In Accidents*

In Milwaukee, Wisconsin, a manufacturer of heavy machinery and diesel engines banished mishaps so effectively he's getting his insurance "free" every four years. Near Massena, New York, a contractor on a \$27,000,000 St. Lawrence Seaway project went over eight months without a lost-time accident of any kind, saving an estimated \$500,000 in taxpayers' money during that period alone on workmen's compensation insurance costs, according to Employers Mutuals of Wausau, the insurer.

At a time when workmen's compensation costs American

employers some \$1.3 billion a year, and "hidden costs" drive the true dollar cost of disabling accidents to four times the "apparent" loss, these and other firms have taken the position that such mishaps are "expensive luxuries" they simply can't afford in the modern competi-



tive business world, according to Fred W. Braun, vice president of Employers Mutuals accident prevention department. Because the cost is too high—in worker morale, productivity, insurance premiums and other factors—they have sought ways to build safety into their businesses. And it's paying off.

Braun's firm insures such giant projects as the Richmond-San Rafael, California, bridge, the DEW line installations in the Arctic and 90 per cent of the Seaway construction. He points to a construction company which is engaged in a wide variety of building projects for the Navy Department on Guam as an example of how safety pays. This firm estimates that its safety program—one of the world's finest—has saved American taxpayers more than a million dollars. According to the best estimates the firm is able to make, it has saved an additional two million dollars in direct and indirect costs because of accidents that never happened.

And one large foundry sliced 38 per cent off its operating expense, as the result of a vigorous safety program which reduced accidents by 45 per cent. The savings was made in workmen's compensation insurance costs, which are determined by

each company's accident record.

If accidents occur at a greater rate than average for a given industry, the policyholder will have to pay a proportionally higher premium for compensation coverage. On the other hand, when a solid accident prevention program is keeping injuries below average, policy rates are much lower.

Another important factor is the indirect cost of accidents. This may run three or even four times greater than costs of medical care and compensation benefits. For example, a few years ago a truck operated by one of the major meat packing companies collided with another vehicle, causing damage estimated at about \$200—just about the amount that was returned by the insurance company. The packer decided to follow this one up and find out, once and for all just what a so-called routine accident really did cost. What he learned must



have given him—and his company—several sleepless nights. Here's the way the cost broke down:

Telephone .....	\$ 20.00
Bringing in trailer (tractor and men) ..	315.75
Towing and loading damaged tractor .....	120.00
Freight to and from manufacturer .....	1,000.00
Tractor repairs .....	2,000.00
Loss of revenue .....	1,522.50
Driver's salary .....	427.56
Depreciation on tractor .....	201.90
Misc. insurance costs ..	3.45

A staggering total of \$5,611.16 which had to be paid, one way or another by the packer for a \$200 accident!

But the story doesn't end here. Based on the profit rate of about one-fifth cent per pound of meat processed and sold which prevailed in the packing industry at the time, the company had to spend almost \$800,000 for live cattle and labor to recoup the loss.

Sometimes an accident can have far reaching effects, even resulting in the loss of business. A machine shop's top tool and die man accidentally amputated a thumb when a small casting he was working on slipped and threw his hand

against the grinding wheel. This was bad enough—the shop's best operator away from work for more than three weeks—but the company was also forced to cancel a contract worth more than \$12,000 because the injured man was the only one on the payroll skilled enough to handle the exacting requirements that were specified.

On the bright side, take a machinery and engine producer in Milwaukee: With 2,500 employees and many potentially hazardous operations, it can't, in the opinion of its management, overlook any techniques of improving efficiency in an era of inflation, stiff competition and shortages of skilled labor.

And in every recent year, reports the firm's insurance carrier, the company has turned in consistently notable safety marks. So good, in fact, that for six years Nordberg has operated at more than a 25 per cent credit on its workmen's compensation premiums, meaning its savings add up to "free" coverage for all its workers every fourth year. Currently, the company carries a solid 37 per cent credit for the year.

Thus, thousands of dollars saved by accident control are available for use elsewhere, for

capital improvements, competitive prices, or increasing dividends.

Some of the expenses that are heaped on management every time an accident takes place—thus nipping away at the profits—are almost impossible to tabulate in dollars and cents fashion. Nonetheless, they have to be paid somewhere along the line. First, of course, is the time lost by the injured employee—and if this runs into weeks or months as it often does—there is the danger of skills either lost or slowed which must be repaired before full efficiency is restored.

Oftentimes, too, there are work stoppages of varying lengths of time, that result in reduced output. If an accident is bad enough, and damage to equipment also runs high, there is the possibility of temporary layoffs in the plant until repairs are made. Investigation time, hours spent in training substitute or temporary help, and reduced morale all along the production line are other intangible items that combine to boost the cost of these accidents, sometimes to astronomical proportions.

Fortunately there are solutions to the problems of industrial accidents and, although

they may seem deceptively simple, they are basic to any program which has as its goal the reduction of accidents and the saving of money.

"At Employers Mutuals of Wausau," says Braun, "we have come to look on these solutions in two main categories. The first is the necessity of selling top management on the importance of modern and thorough accident prevention techniques. The second is helping the men in the plant to build safety into their jobs, making it as important a production tool as a lathe and hammers and saws."

And these factors must come in that order, the accident prevention expert declares. It's surprising, he says, how much interest employees begin to take in promoting safe work habits among themselves when they are convinced that management is behind the idea 100 per cent. It's a pretty good rule of thumb that the plant with the greatest degree of management interest and cooperation in on-the-job safety, will have the best safety record.

Regardless of the past, if a company launches an intelligent, all-out attack on accidents, Braun says, they will be cut to the bare minimum—for safety is no accident.

# shy genius

by Gordon E. Thatcher

"My foreman told me you wanted to see me, Mr. Buckgall. I hope you're not going to f-fire me. I'm real sorry about being one minute late to work that morning last month. It will n-never happen again. . . ."

"Now, now, Jones, get up off your knees. We've forgotten that. We docked you a day's pay—you're forgiven."

"Oh, thank *you*, sir. And if it's about that slight error I made on that cutting last summer. . . ."

"Forget it, Jones! It cost the firm \$2.79, but we are too big to fire a man for that! We deducted it from your pay, of course, but we don't hold a grudge. . . Actually, Jones, I called you up here to promote you."

"Promote *me*, sir?"

"Why, don't act so surprised, old man. Remember, I started as a machinist too. . ."

"Yes sir, I knew that, sir. But your wife's father being president . . . er . . . excuse me, sir. I'm sure that had nothing to do with it. It just sort of slipped out, Mr. Buckgall. I'm very sorry. . ."

"Think nothing of it, Jonesy. We are making you superintendent of the machine shop—and that's only the beginning, Jones, old man."

"But, why, sir?"

"Then you haven't heard about the results of those I. Q. tests we gave to all the workers?"

"Oh, those. No, I didn't think they were very important. . . . Why, they were so simple a ten-year-old boy could have answered. . . ."

"Jonesy, you are a card—a real card! Here you pull a grade on those tests that puts you way up into the class of mechanical genius—easy you

say! And no wonder they were easy for you, Jones."

"Me, a genius? There must be some mistake, Mr. Buckgall. I'm just a machinist—for 10 years, remember?"

"Oh, you're a genius all right, Jonesy. A real inventive super-brain! You have a bright future with us, my boy. Now if you will just sign this contract. . . ."

"A contract? Surely, you can't mean that. Me, a contract? Say, let me see that contract, Buckgall. . . . Hmmmmmm, a \$1,000 a year raise each year for the next 10 years. Well, that sounds pretty good, chief, but couldn't we raise that a little—say, \$2,000 a year? After all—a genius, you know. . . ."

"Certainly, Mr. Jones. Anything you say. Then will you sign?"

"Well—I think so, Bucksy, old boy. Of course, I'll want my lawyer to check it over. . . ."



# THINKING ISN'T SO HARD

by Lloyd Derrickson

A professor sits in his laboratory, laboring mightily to solve a problem in higher mathematics.

Outside the laboratory, lying in the sun, sleeps a tramp.

Which is burning the most brain fuel? Oh no, not the professor. Apparently the tramp is consuming just as much measurable energy as is the egg-head.

This is one of the findings resulting from studies of blood circulation through the brain at the National Institute of Mental and Nervous Diseases.

These studies carried out by Dr. Seymour Kety and his associates show that:

- *The average-sized human brain requires about three-fourths of a quart of blood a minute.*

- *It consumes about an ounce and a half of oxygen, brought to it by the red blood cells.*

- *It uses only about a teaspoonful of sugar, the "fuel" of the body, per hour.*

The most surprising discovery has been that these requirements are the same, regardless of what the brain is doing. It can best be compared, Dr. Kety

says, to a radio set. A certain amount of energy is required before it will function at all. But there is no need to increase this power according to the quality of the program. It is the same for a nation-wide drama presented by great and talented actors as for the silliest sort of program.

The "brain wires," that is the nerve fibers, must be "hot" to carry impulses from the outside world or from other parts of the body itself. Nothing more is needed by the brain as a whole to formulate these impulses into thought and pictures.

The requirement is the same, whether a person is asleep or awake, Dr. Kety says. It long has been recognized, he points out, that the brain cells may be very active during sleep—as evidenced by dreams or by solving problems—although the sleeper may seem unconscious.

The blood flow through the brain, and consequently the supply of oxygen and sugar, is cut down by about half in some types of coma—notably in the unconsciousness resulting from diabetes or from overdoses of insulin. Different anesthetics

seem to have quite different results on the activity of brain cells.

By the techniques developed by the National Institute experiments—that of measuring the rapidity with which the brain circulation takes up the inert gas, nitrous oxide—efforts are being made to measure the circulation to different parts of the brain and some preliminary results are being obtained.

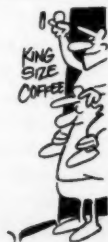
It appears, for example, that white cells receive less than a third the blood supply of gray cells, which are especially associated with thinking.

There is evidence that particular parts of the brain being stimulated—for example the visual cortex at the back of the head when one is seeing something—receive somewhat more blood than parts which are inactive.

The picture emerging from these experiments is that the brain is a communications ma-

chine, not a place where thoughts are manufactured. The findings are somewhat disturbing to various theories expounded in the past, one of which was that intelligence varied with the richness of the brain's blood supply.

Another propounded before the National Academy of Sciences a few years ago was that thinking required a definite amount of fuel—that is, about the amount contained in a peanut for solving an especially difficult mathematical problem. The idea then, was, that our professor was expending terrific amounts of brain fuel within his laboratory, while the tramp outside was burning none. Not so, it seems. All of which leads us to something which we have known for a long, long time: namely, it isn't how *much* energy or brains we possess. It's *how* we use what is at our command. That's the important difference between the professor and the tramp.



# PROGRESS IN AUTOMATION



*by Harold N. Underhill*

Now at work for a major manufacturer of electronic equipment is a computer system that decides when to reorder parts, how many to buy, and automatically prints purchase requisitions complete with pricing and routing information. When fed information about an order from the field, it automatically examines the firm's position on each item, and if the known rate of use and the procurement time reflect the need for it, the computer prints "Rush" on the papers.

This is an exceptionally high degree of automation, and not easily matched throughout the country, but it shows how far automation has advanced since World War II. The installation mentioned above is saving \$100,000 a year in purchase order work alone. Handling 25,000 "active" parts, 65% of which are worth \$1 apiece or less, the firm had a decided inventory and re-order problem since those parts amounted to only 15% of the total parts expenditures for any given year.

Now, disbursements from stock, on about 12,000 of their items, exceed receipts every week, and inventory is dropping steadily. The reduction in number of purchases per part per year (over 50%) accounts for the bulk of the \$100,000 annual savings. And, the computer system also handles EOQ (Economic Ordering Quantity) formula for 6,000 items, cutting the labor element in this area of work down to the time of one clerk, and seven hours computer time. Savings in this area alone run to about \$10,000 a year.

It is figures like these that bear out computer manufacturers' contentions that inventory work is the single most profitable area for the applica-



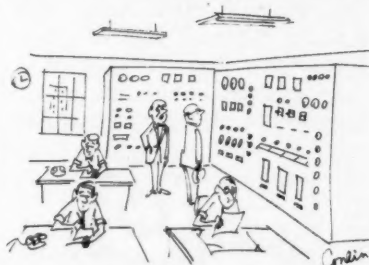
tion of automation. Many firms begin to automate just because it is profitable for them to handle repetitive payroll work using mechanical and electronic devices. And, there are immediately observable savings in clerical time and the elimination of masses of paperwork. But to computer vendors, payroll is known as the "area of least payoff," while inventory control is seen as the heart of the matter for industry.

One big plant of a major electrical manufacturer is a case in point. The equipment they produce—just one line in this particular plant—is sold via small orders, and all items are made from standard parts in stock. With sound stock control, made possible by automation, including a computer, they feel they can control, in their words, "everything," since inventory control does these things:

- *Determines production control schedules and needs.*
- *Prevents costly overstocking and the equally bad understocking that loses customers when orders go unfilled.*
- *Smooths out the labor cycle and keeps employment at a relatively constant level.*
- *Enables easy charting of the course of business over short and long-term periods.*

The electrical manufacturer maintains charts containing curves of inventory trends and can feel a recession, or a boom, long before it strikes with full force. If it's a recession, (they predicted the recent one) they cut orders to suppliers and make more of their own parts. As the recession worsens, they must decide whether to discharge some help and keep stock at low levels, or to retain their workers and eventually overstock. During the recent recession they made the latter, more optimistic, decision and as business later improved their stock balance returned to normal.

For computer experts, and for experienced users of automated systems, payroll, tax work, simple sales tabulations or invoicing applications result



"And it operates without paid vacations, hangovers, or Monday blues . . ."

in "marginal savings." These are obvious, and valuable, but the best all-round control comes from inventory applications.

Beyond inventory, production control is another big factor. In recent years, for instance, a computer played a large role in manufacturing a computer. With \$8 million expended on research, and \$84 million in development work, one of the big computer manufacturers was sorely disturbed when constant minor failures of components in the finished product began to occur. Basically, the problem was one of transistors going into circuits. Many factors — materials, assembly methods, room temperatures, the nature of circuits and connection—were involved. All together there were 150 separate production factors and a dozen different assembly factors to be taken into account.

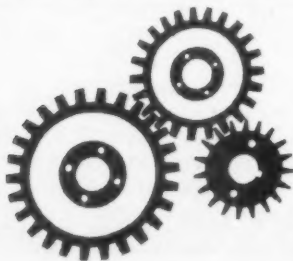
Production could not await the results of manual calcula-

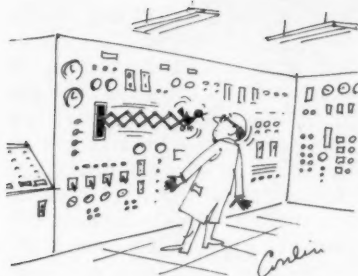
tions, nor could human correlations of results be ultimately relied on. By correlating rapidly all the input data, a computer determined just what factors were most important, and in precisely what relationships. (e.g., precisely what should be the temperature and humidity of a room in which certain parts were assembled? Could these factors vary in another part of the manufacturing process?) The result: continued successful manufacture of a new computer into which over \$90 million had already been poured.

#### **Small and Medium-Sized Applications**

The small and medium-sized business has, as usual, been the direct beneficiary of gigantic and expensive systems of automation developed for the military, and originally available only to huge firms.

Across the country now are computer service centers catering to a wide range of clients, from university research centers through farmers. A western dairy, for instance, finds a computer useful for calculating the hay requirements and the development of breeding schedules for its herd. About 60 Rural Electric Authority co-ops in the South have their billing work done at a service center. Pay-





rolls, tax work, sales analyses are being done every day for smaller firms who buy an hour or two of computer time. If they have no tabulating equipment, they can also buy a service that includes making punched cards for them, running them off on tab equipment or through a computer—and then storing the cards until their next series of reports. Thus, automation can be rented, like a tuxedo or a truck.

And the day is coming when a firm located far from such a computing center can transmit its data to the center's computer by electronic means, and receive rapid answers to its problems. Such transmission will involve the electronic typewriters that perforate paper tapes as they write. The tapes in turn activate teletype machines, and at the receiving end paper tapes are again created. These in turn are converted automatically, by machine, into

punched cards that feed computers and tabulators. The whole process is reversed when the information goes out of the computing center. This, in fact, is what happens now in large corporations that use private wire lines or leased circuits—one of the country's leading distillers uses such a system, as does a major manufacturer of abrasives.

### **Integration—Amassing and Controlling the Facts**

The chain of automation is only as strong as its weakest link, so it necessarily has simple but important beginnings in the areas of record-keeping and filing.

"Management by exception" is one feature of new record keeping systems. It means the utilization of visible indexing systems in which the exception (material ready for reordering, unpaid receivables, customers not called on recently) sticks out like the proverbial sore thumb. This is done by a simple but effective system of movable colored signals attached to the edges of index cards that lie flat atop one another, with an informative quarter-inch of card exposed to view. Reorder points, months and days, sales volume to date, quantities, or a wide range of other information can be indicated by such

signals. Thus the system is of value to sales people, accountants, stockrooms or production departments, or even executives who want material at their fingertips during conferences.

The same type of system is available in mechanized form, "robot" devices allowing cards to be brought up under a file clerk's hands while she sits at a console desk with a pushbutton system built into it. Comparable methods are also used for filing punched cards, thus eliminating the slow and laborious aspects of card-picking before the cards pass through sorters, collators, tabulators and computers. They all pay for themselves fairly rapidly in terms of wages saved, and greater office efficiency.

Other office details are also worth watching. One new desk calculator combines the efforts of a rotary calculator plus an adding machine, performing all four necessary functions: adding, subtracting, multiplying, dividing. Such new devices are smaller, more compact than the old two-machine arrangement, help also to eliminate cluttered desks and the inefficiency that goes with such conditions.

Cluttered desks and cluttered offices are other areas observed by office equipment manufacturers. Their salesmen are

trained not only to sell equipment, but furniture as well—and with it new theories in office layout, in particular the use of modular furniture that not only saves space for which high rents are paid, but spare file clerks and executives a lot of walking. Gone, in modern offices, is the old desk and big work-table combination. Now, they're combined into one effective L-shaped unit, all parts of which are easily reached with a simple spin of the swivel chair.

So, from the desk through the calculator, filing system, punched card filing system, tabulator and on up through the computers, the new accent is on integration all down the line, with all factors related to one another like parts of an interlocking puzzle.

The expense of new and modern installations is always a consideration, but office equipment manufacturers have definitely discovered that "feasibility studies" on the part of their customers are not as valuable as they seem. With computers, the long-range applications are usually undreamed of and not discoverable by prior surveying. With furniture, the morale and efficiency factors can never be predicted, and are visible only after installation.



## **Cultivated Relaxation vs. Vegetation**

*by Dr. Floyd Corbin*

What does relaxation mean to you? Does it mean collapsing into complete inactivity and lassitude? The kind of "letting go" that makes you languid and willing to lie passively under a palm tree for hours or days? This is not the kind of relaxation I'm talking about. If this type of relaxation brought health, happiness and prosperity, then we would know that native and primitive tribes in remote parts of the world would be the healthiest, happiest and most prosperous people in the world. But we know this is not the case.

As we observe the scheme of the universe, it appears that man was made to exercise his muscles, and we can expand

---

this term to include not only his physical muscles, but figuratively speaking, his mental, philosophical and even his spiritual muscles. Looking for a moment at the physical being, we know that if we put an arm or a leg in a cast, keeping it immovable over a period of time, it will atrophy. The man with a broken arm is given a soft rubber ball to squeeze so he can tighten, then release, his

hand and arm muscles to keep them in condition. Doctors know that a rhythmic tightening and releasing is the best preventive therapy.

In the mental realm, a student does his best work when he is forced to concentrate and stretch his mind, possibly to uncomfortable limits, and after a certain amount of this, he must "re-create" his mental stamina by seeking diversion. A person too intent on one particular trend or application of religious or philosophical thought may become biased or prejudiced, while the reasonable exploration of several trends of thinking blends him into a tolerance for all.

We observe this tightening-releasing procedure running all through the physical forms of nature. The ocean ebbs and flows. The sap is pushed up, then recedes with the seasons, so that tree and bush burst forth in leaf and blossom each spring, to fade and vanish to make room for the next cycle of growth. The human heart beats, the lungs expand and contract, and with each heartbeat the blood is forced through the arteries, carrying life-giving oxygen to the body's farthest extremities: the partial vacuum created by the exhalation paves the way for the next

inhalation—and so life is extended and expanded.

Man has been given the power of dominion over all things—and this includes himself! Since he is a triune being, he must bring about alternate relaxation and activity in his own mind, body and spirit—the same basic process he observes in Nature. If his attention is focused too long on his work, for example, or on his problems or interests, he begins to lose his perspective. By turning his attention deliberately for a few minutes to different ideas, places or persons, he can revitalize himself.

Remember lying on your back as a child at night, looking at the stars? If you looked too long at one star, it seemed to disappear. By looking away and shifting your gaze, it remained in your vision. It is the same in our mental realm. Work diligently at the same type of physical task too long, and you will feel fatigue, your muscles will ache. But relax occasionally, let the body recuperate by a change of position or activity, and you are refreshed and re-motivated.

In all your activities, make relaxation a habit and this good habit will help make you a happy, poised, prosperous person!

# *Leisure "?" Time*

*by "Margie"*

*We all should have a hobby,  
It's better that we choose it,  
So time is turned to golden hours,  
And we don't really lose it.*

*Our children are collectors,  
With stamps and coins a must.  
Our poodle, too, collects old bones.  
The house collects the dust.*

*My hobby is the garden.  
I won it in a toss,  
To see who'd get to weed it.  
Dad's golfing with the boss!*

# Labor Unions and Public Service

**L**ABOR UNIONS should be subject to duties and responsibilities under law for the performance of public service just as other monopolies enjoying franchises and privileges. This is the recommendation urged by Roscoe Pound, Dean Emeritus of the Harvard Law School, in a new study published by the American Enterprise Association in Washington. It is entitled, "Labor Unions and the Concept of Public Service," and follows Dean Pound's classic study, "Legal Immunities of Labor Unions." The latter was published in 1957, also by the American Enterprise Association.

Dean Pound makes it clear that he is not opposed to unions:

*"Unions are an institution needed in the life of today. They are to be preserved and fostered as useful, even if we cannot treat them as peculiar favorites of government at the expense of the general public interest."*

*"What is sought is not to destroy or impair them, but to fit them into the legal, social and economic system of the era on which we have definitely entered."*

Dean Pound finds four settled principles, or starting points, for legal reasoning in applying the concept of public service to labor unions. These are:

1. On each side of the employer-employee relation there are duties of assuring the maintenance of the health, safety, comfort and convenience of the public, both directly by doing what is immediately required and indirectly by enabling the primary agencies of public service to function efficiently.

2. So long as these assurances are carried out, the organized combinations on each side of the relation should continue to hold and enjoy the advantages they have.

3. But to assure and maintain these first two propositions legislation should carefully define and limit monopolies and advantage, both with respect to each party in relation to the other, and with respect to the



relations of each and of both to the public.

4. This body of labor law should be developed into well-reasoned principles and conceptions rather than by rigid rules attaching rigidly defined consequences to rigidly defined states of fact.

Commenting on the development of the idea of public service, Dean Pound observes:

*"Control of what is today the indispensable means of performance, namely, employment of the labor by which the performance of the public service must be carried on . . . has come to be and now is substantially in the hands of strong nationwide organizations which have achieved what now amounts in practice to a monopoly."*

He notes that this condition has been much aggravated by recent legislation, national and state, establishing immunities of labor unions and providing Labor Relations Commissions to give effect to those immunities. As a result, he says, there is the fact of control by labor unions of the means of performance of public service without a corresponding legal duty.

Dean Pound points out that union immunities result from four established features of

American labor law. These are:

1. A requirement that unions incorporate has never been written into the law because of the opposition of labor organizations. One of the numerous authorities cited by Dean Pound states that incorporation—that is "creation by and subordination to the state"—provides "the only terms upon which the existence of large associations of men can be safely allowed to lead an active life."

2. Injunctions in the law against irreparable injury have been substantially eliminated in their application to unions by the Federal courts and many of the more important State courts. Yet in practical effect, Dean Pound declares this to be "the most assured method of enforcing the law applicable to everyone else."

3. Failure to distinguish unlawful action by labor organizations, their leaders and their members, done outside of the employer-employee relation, from practices in that relation. This failure has led, in the Dean's opinion, "to immunities beyond any legitimate claim to secure workers as a class against exploitation by employers."

4. All matters affecting labor organizations, not just those involved in the relation of employer and employee, are committed to an administrative agency, the National Labor Relations Board. Dean Pound says this resulted in "far-reaching immunities" because the administrative agency is not confined in its jurisdiction to employer-employee matters.

*"... the trade unions are strictly operated oligarchies. There is centralized power and diffused legal responsibility, amounting in practice to irresponsibility."*

Noting that the abuse of the powers of corporations controlling large aggregations of capital led to antitrust legislation, Dean Pound says:

*"... while the power of corporations was being restricted, the unincorporated labor unions, whose very existence had been challenged in our formative era, were being given extensive immunities and put in a position seriously to jeopardize the public service required of their employers by law."*

At another point he finds that the tying up of public service in order to coerce or speed the granting of demands of organized employees, who remain secure in their employment, is

repugnant to principles of law, no less than principles of justice. He declares:

*"Public convenience as well as public necessity were taken into account in the shaping of the common law concept of public service. Both are now continually threatened by labor disputes. Such things as the Eastern Massachusetts bus strike in 1958 and 1959, depriving children of whole communities from transportation to school in winter time, are becoming typical."*

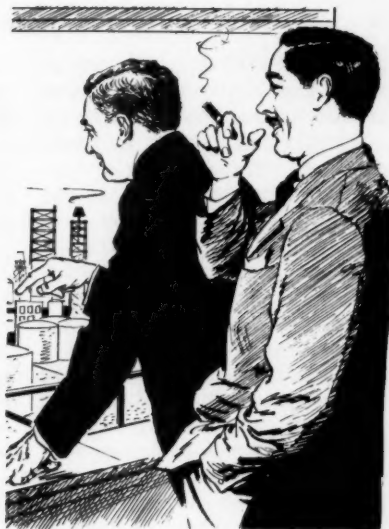
On the frequently-voiced statement of labor leaders concerning legislative proposals for curbing their immunities that they object to being "pushed around," Dean Pound finds that this is:

*"... an assertion of dignity such as that upon which immunities of government officials, the king's servants, noblemen, and members of legislative bodies once rested before we learned to distinguish, as we do today, between impairment of official efficiency and mere offended pride."*

*"... nothing could be more untrue than that in seeking to adjust the situations in labor today to rational principles there is a purpose of destroying or impairing the efficiency of the unions."*

# A Clergyman Looks at Management

by Richard M. McKeon, S. J.



FOR MANY YEARS I have experienced close contact with men of management—high and low. Many of them have been patient enough to attend my classes in industrial relations. I have been an active participant in their conferences. I am also privileged in enjoying the friendship of many successful businessmen. Accordingly in presenting some qualities which an outstanding manager should possess, it is because I am convinced that management as a whole has cultivated these qualities in varying degree. There is always room for improvement. This portrayal is offered in the hope that it is worthy of considerate study and imitation.

First of all, many managers may be surprised, but they

should not, to learn that they have an educational function. In this respect a brief excerpt from *The Practice of Management* by Peter Drucker has always appealed to me. It runs: "Who is a manager can be defined only by a man's function and by the contribution he is expected to make. And the function which distinguishes the manager above all others is his educational one. The one contribution he is uniquely ex-

pected to make is to give others vision and ability to perform. It is vision and moral responsibility that, in the last analysis, define the manager."

If a manager is alert to his educational function, he will study and put into practice the basic principles of sound education. A good teacher maintains the interest of his students. A good manager should do likewise in the supervision of his area. This in turn will aid in creating job satisfaction. It will foster a real sense of participation in the productive process. If workers come forward with suggestions, here is proof that their vision has been stimulated.

A manager who has vision will recognize the great changes which have come to pass in industrial relations within recent years. Much can be learned from the policy of companies where strikes are unknown or of short duration. The studies of the National Planning Association are highly recommended to show the pathway to industrial peace and prosperity. More and more are labor and management finding larger areas of agreement in working together for the good of their respective industry as well as assuming responsibility for the general welfare.

Due to the frailty of human

nature, there will ever be problems plaguing management in directing industrial relations. In solving these problems wise managers will be aided if they keep before their minds the much quoted lines of the late great churchman, Pope Pius XII, spoken before a manager group in 1949. He said:

*"Both false and evil in its consequences and, unhappily, only too widespread, is the prejudice which sees in these problems irreconcilable opposition between the various interests. That opposition, however, is merely apparent. In the economic sphere there is a community of interests and activities shared by leaders of industry and the workers. To disregard this mutual bond, or to endeavor to break it, can only be but the pretension of a blind and unreasonable despotism. Employers and workers are not unreconcilable enemies. They are collaborators in a common effort. They eat, so to speak, at the same table, seeing that they must live, in the last analysis, from the gross or net profits of the national economy."*

The dynamic manager will ever possess a real sense of responsibility. He will manifest a divine discontent when things are not running smoothly, or when there is a possibility of marked improvement. He will

act not to build up his own prestige, but to promote the common good of his area of action.

To such a manager may be applied the words: "Dynamic leaders are social spark plugs. They provide the ignition that sets the whole group in motion. They work not so much for the people as with people and they stimulate group action so that the people help themselves in the solution of their difficulties. They are positive and concerned with progress. They are visionary perhaps, but they have the strong anchor of responsibility."

We offer public praise to men and women dedicated to noble causes in the fields of education, health, and social services. Should not relative praise be given to those managers who are really dedicated to their profession? They have faith in their particular goals. They are willing to make sacrifices to reach them. Such a dedication cannot fail to arouse loyalty in their workers.

For in such leaders, workers recognize the man of character. And character has been defined as "life dominated by principles." Character calls for self-discipline. At all times the virtues cultivated will be reflected in considerate dealing with

others. The rewards will be exceedingly great.

That is why Clarence Francis, Chairman of the Board of General Foods, lamented this lack of character in certain managers when he said: "It has always seemed to me that you can buy a man's time; you can buy a man's physical presence in a given place; you can even buy a measured number of skilled muscular motions per hour or day. But you cannot buy enthusiasm; you cannot buy initiative; you cannot buy loyalty; you cannot buy the devotion of hearts, minds, and souls. . . .

"It is ironic that Americans—the most advanced people technically, mechanically, and industrially—should have waited until a comparatively recent period to inquire into the most promising single source of productivity, namely, the human will to work."

The higher the manager the higher the responsibility. Certainly those in high command should remember that our nation has been dedicated to noble ideals and that as leaders in industry they have the responsibility to encourage their workers in the pursuit of such ideals. Therefore they will take to heart and strive to practise in their companies the following

concept expressed in the Xavier Junior College Bulletin:

*"The democratic way of life has been built upon cherished ideals such as equality of opportunity, personal rights, individual responsibility, freedom of speech and worship, freedom from poverty and fear, freedom from the tyrant; justice and fairness for all, and so on. It is only through making these ideals real and living in the everyday life of all men that democracy will have meaning and command undying loyalty. This can be the case when leaders of democracy personify their ideals by their own conduct and when the lives of our leaders are a living consecration to the realization of truth, justice and freedom for all the people."*

It is encouraging to see progressive management discarding the term "free enterprise" as an outmoded fetish. Free enterprise in its historical sense really meant freedom of action from government and no opposition from the workers. Why not face evident facts? Today we have Big Labor and Big Government putting severe checks on Big Business. If anyone is doubtful about this change, he should read the excellent article in the December, 1958, issue of the *Saturday Eve-*

*ning Post* written by Sumner H. Slichter and entitled "The Power Holders in the American Economy." In it he said: "The great depression of the '30's shattered the long-accepted view that the best way to get things done is to give businessmen a pretty free hand to pursue profits with only moderate direction or restraint from the government."

Favoring a strong private enterprise system with all the freedom it rightly merits, I am convinced that a big segment of management is not up-to-date in its thinking. The propaganda literature coming to my desk is partial proof. This literature disdains the 18,000,000 American men and women who have joined themselves together in labor unions to advance their welfare and security. These people with their families make up about a half of the total population. Their purchasing power is tremendous. They have freedom of choice concerning the products which they buy. Likewise, as the 1958 elections prove, they are powerful in the field of politics. Big Labor seeks to back congressmen who will favor them in the acts of Big Government.

An alert manager who has been promoted to a new posi-

tion will not be content to accept the status quo and continue with smug complacency in the way of his predecessor. But he will preserve what is good and set in reforms to correct what is bad. Here is where he must exercise courage along with tact, for his subordinates are bound to resist and resent any change which may disturb their accustomed way of work.

In such circumstances he "will grasp quickly the essentials of a problem, apply his imaginative mind in finding a solution, decide swiftly and surely what is to be done, and make it clear to all concerned what he expects of them, and then see that his subordinates get on with the job. The management man will have vision, and will find it quite unthinkable that he should follow outworn paths, content merely to criticize."

A successful manager will be a man of good sense and sound judgment. Prudence is a very necessary virtue in industrial life. It calls for balance, which embraces true understanding and moderation in behavior. In the exercise of his authority there will be a happy medium between weakness and severity, between due caution and timidity.

In this respect, as someone has written, the manager will

find himself "being circumspect, knowing how to discern the true from the false and good from evil, not letting one's self be imposed upon in spite of the persuasive insistence of secret informers, remaining calm in the midst of difficulties, not blindly following his first impulse, avoiding all exaggeration in giving orders, retaining sufficient latitude as to their execution without exposing oneself to the charge of vacillation."

The word "steward" has been taken over by union representatives. But in its honored and traditional sense it should be applied to the manager. For the manager represents the owners, the stockholders. He controls an area of action which does not belong to him. Recalling episodes from the Bible, the manager from time to time must render an account of his stewardship to higher executives or the owners.

Bluntly put, a manager is a hired hand. He works for someone else. And so his office must not allow him to develop arrogance and a self-sufficient attitude offensive to all around him. When a manager refuses to hear the opinions of others and relies entirely on his own judgment, he is in danger of a serious fall. A remark of Prince Philip of England is to the



point. He said: "Healthy self-criticism and an abiding willingness to learn seem to me to be the most important requirements of any manager."

Many years ago I was deeply impressed by reading a speech of a Wall Street executive urging young managers to be courteous. The title of the speech was, "The Importance of Little Things." The young men were cautioned that the successful managers of America were not boastful, disdaining, ill-mannered and users of foul language. After reading it I recalled the lines of Hilaire Belloc:

*"Of courtesy, it is much less  
Than courage of heart or holiness,  
Yet in my walks it seems to me  
That the grace of God is in  
courtesy."*

Recently I picked up a little pamphlet, "Thank You," by Dale Carnegie. Its entire theme was on the value of courtesy in business. I could not help reflecting on what a gracious atmosphere would be created wherever its simple rules were lived up to.

Clemency is seldom, if ever, mentioned in a treatise on modern management. What is clemency? It is a virtue which denotes flexibility or "which, in the case of a person in power,

consists in pardoning offenses and easing chastisements." In the exercise of this virtue, a wise manager will not be imposed upon. He will be strict where circumstances warrant. But in the majority of cases he will recognize the frailty of human nature. If he is mild, yet firm, in his correction, and portrays no personal grudge, his workers will give him due loyalty and prove that his moderation of power has been appreciated.

There is always a danger that too rapid success may give a younger manager an exaggerated opinion of his qualities. Here is where more mature executives should caution about pride and how it easily leads one into administrative mistakes. Pride weakens a man in the exercise of prudent judgment.

A manager should aim to be pleasantly dignified. The definition of the old philosopher, Aristotle, still holds true: "Dignity is a tempered and well-mannered stateliness." This stateliness will never be obtained unless there is proper order in one's personal life springing from the discipline which builds up character.

There are other virtues and qualities which a good manager should possess. But if he ex-



emphasizes the ones mentioned in the exercise of social justice which aims to secure the common good prompted by motives arising from true love of neighbor in his area of responsibility, rightly will he be acknowledged as a superior man worthy of high reward.

Accordingly, if vision and moral responsibility help to define the manager, the words of the poet, Edwin Markham, make a fitting conclusion to our theme:

"We are all blind until we see  
That in the human plan,  
Nothing is worth the making  
If it does not make the man.  
Why build these cities glorious  
If man unbuilted goes?  
In vain we build the world un-  
less  
The builder also grows."



## How're Things?

All around the country  
Things are kinda dull.  
Everyone's complaining  
That business has a lull.

In Frisco, nothing's moving,  
In L. A. it's rather slow.  
Seattle has a lay-off,  
The Coast is short of dough.

The West just isn't rolling,  
Denver's very still.  
El Paso and Tucson are quiet,  
Phoenix's up a hill.

Chicago's crying murder,  
Detroit has it tough.  
The South is moaning low,  
The Gulf is sorta rough.

Down East, it's no better,  
New York's tight as a drum.  
Philly's not doing anything,  
Boston's on the run.

But we're still as tough as  
Atlas,  
And 175 million strong.  
Hurrah for the flag, with two  
more stars!  
United, we can't go wrong.

—Joseph Halperin

# Time and Speed

by Clarence G. Scholtz

PRACTICALLY ANYONE who has been in business world for any length of time has experienced the situation where the boss excitedly demands a report or some data, and when asked "How soon do you want the report?" the answer can be deciphered as meaning yesterday. So the individual drops everything else he or she may be doing and concentrates on that report or that data sheet, completes it, rushes it in to the boss and lo and behold, a week later it is necessary to visit his office and there on the top of the pile on his desk is that very report. Nothing has been done about it, it hasn't even been read or studied and undoubtedly you can recall how frustrating that was. But it happens, and undoubtedly will happen again.

The other side of the coin takes in the same situation but in the rush to get the report in to the boss' hands, even the experienced and careful employee will make a mistake under pressure. Then maybe a week later the report has to be gone all over again.

There is a saying that goes something like this, "There is never enough time to do the job right, but there is always enough time to do it over."

How true. If every executive, department head and supervisor kept in mind this quotation maybe there would be fewer rush jobs and fewer instances where the speeded-up report could be avoided and done in the regular time with the same result and where the frustration of the employee is eliminated. How often have we heard supervisors say, "Oh, Mary Smith is a much better employee than Jane Doe" and when asked why, "Oh, she does 50% more work." That's an impression that speed produces. But how often when a careful study and analysis is made of the various employees' work, we find that while Mary Smith is 50% faster, unfortunately her mistakes are 50% greater and that actually from a cold-blooded efficiency standpoint, the slower employee, Jane Doe, actually is the better employee because her work doesn't have to be done over again. What's the

good of an employee who can do twice as much work as another employee if everything has to be done over again?

In this day and age, when speed seems to be a part of life, we talk about flying across the continent in a few hours, across the water in a few more hours, going 60-70-80 miles per hour on the turnpikes, we sort of get indoctrinated with the idea that speed is all important and we bring that idea into the business world. Now, of course, speed is important, but the important part is to have speed with accuracy. Speed without accuracy has little or no value. How often do we hear our friends and neighbors talk about the errors and omissions made by all kinds of businesses—there is no one industry or business enterprise has a monopoly on mistakes today. They occur in every phase of business life, so much so, that unfortunately, we are becoming immune to errors and accepting them as part of present day business activity. A little less speed and a little more accuracy would avoid a situation like this, but it will be next to impossible to secure that result if executive department heads and supervisors continue to emphasize speed whether it is necessary or not, above all other considerations.

## NEW SMELTER IN PRODUCTION

American Smelting and Refining Co., (Asarco) is now in volume production of aluminum alloys at its new secondary aluminum smelter in Alton, Ill.

The Alton plant, which has a production capacity of 72,000,000 pounds of aluminum ingot annually, is the largest smelter ever built specifically for the conversion of aluminum scrap into alloy ingot. George M. Baumann, manager of the new plant, which is being operated by Asarco's Federated Metals Div., states that design and construction of the Alton plant are the result of extensive technical research and marketing studies conducted by Asarco over the past several years.

"The increasing number of uses for aluminum alloys, coupled with a growing demand for technical information and services, clearly indicated that existing facilities would soon be inadequate," Mr. Baumann says. "Therefore, although the plant is the major result of our findings, we have also expanded our sales and service organizations. Already we can point to definite improvement in both the production and the marketing of aluminum alloys to a broad section of the market."

The Alton plant's primary marketing area is the geographical Midwest,

including the Detroit-Chicago-Cleveland automotive and heavy industry areas, which are served by field warehouses at Detroit and Whiting, Ind. In addition, stocks are maintained at Houston, Texas, to assure prompt deliveries to the industrial Southwest. Supporting the field warehouses is the large inventory of alloys maintained at Alton, which assures 24-hour service to most Midwestern cities.

To supply adequate inventories of alloy ingot and to assure a steady production rate, Alton maintains a 60-90 day supply of aluminum scrap, most of which is obtained from the industrial Midwest which it serves. In addition, desirable turnings, stampings, borings, etc., are obtained from heavy industry sources in Seattle and at other key terminals on the west coast.

### **Production Methods**

Incoming scrap, which is delivered by rail or truck, is received at unloading platforms which can accommodate seven railroad cars and 12 trucks simultaneously. Nine mobile loaders transport the scrap to storage areas.

Scrap entering the production cycle is sorted and transported in tote boxes, which are moved from process to process by a fleet of 14 fork lift trucks, each equipped with short wave radio receivers and controlled from a central radio dispatch office. To assure adequate supplies of second-

ary scrap for production lines, 2400 tote boxes, each measuring 4' x 5' x 4' are used.

High speed conveyor belts transport scrap through crushing, sorting and cleaning processes, which are almost entirely mechanical. To simplify accurate alloying formulations and assure uniform ingot, special equipment removes contaminants.

Smelting and alloying operations are handled by four 4-ton and one 15-ton gas-fired reverberatory furnaces, all convertible to oil if required. The heel system of smelting is employed, and special scrubbing equipment has been installed to remove objectionable fumes and dust from furnace exhaust gases.

Three ingot casting machines, which employ special casting equipment and techniques, produce ingot with a minimum of oxidation and with a high quality of finished appearance. Semi-automatic stacking units prepare ingot for immediate shipment or for storage in rooms equipped with temperature and humidity controls.

Quality control is an integral part of production, from scrap handling through pouring operations. At every step in the production cycle complete analysis of any alloy can be obtained within ten minutes. Routine analyses on furnace melts are taken at hourly intervals and, as cast out time approaches, are stepped up to 15-minute intervals in many instances.

# THE EXPERTS



# ANSWER

*by William Gillick*

**I**N A RECENT SURVEY on human relations (MANAGE, July, 1959), first line supervisors threw some potent punches at the human relations experts. In the following article the experts reveal an ability to roll with the punches and deliver some stinging counter attacks too.

A top level industrial relations executive agreed, for example, with all the criticism offered by the first line supervisors but had this twist to add. "Everything they say is true—true of the experts and also

true of the supervisors." This executive found full support by the experts who, in general, agree with the first line supervisors but would like to see them follow their own good advice.



"My best worker is sick, but Williams here will show the plant . . ."

An employee relations man said, "That shipping foreman who talks about filling the legitimate needs of employees gets my nod. I would like a factory full of foremen like him. So many of our foremen are so wrapped up with their production problems that they don't find time to think of anybody's needs, let alone identify and act on legitimate ones only. And that's where we lose our people to outside organizations. Let me give you a simple example.

"Joe has a problem and he

tells his boss. The boss is too busy to get to the problem, so Joe goes to the steward. The steward then goes to the boss who knows that he has a legal obligation to bargain in good faith. So the boss, because he is busy, either gives in fast, or tosses the grievance into the next step. Either way, anything Joe gets, the steward got for him."

A labor relations man was in complete agreement with the foreman who wants to stop giving a lot during negotiations and very little in between. "This is RIGHT—in upper case letters. At every negotiation we are faced with hard bargaining because some foreman gave a steward a fast shuffle. The bargainers bring up abuses, real and alleged, covering temporary transfers and overtime administration. These issues are emotional, purely problems of status. The problem arises out of the way it was done, not at all over what was done.

"The result is that they want to ram down our throats impossible grievance procedures, throttle our transfer activities, and shackle us with overtime restrictions. If every foreman gave his steward a fair hearing, and explained to the men affected the reason for a transfer and the need for his overtime

services, and took enough time to point out the correctness of the allocation of overtime, we would for sure have to give less at negotiations. That 'sensible balance' this foreman mentions can be worked out only on the line, between the foreman and his employee."

A training director squirmed a bit, but had this to say: "I can't agree on the 'stop training me,' but I certainly agree with the idea of the boss doing it on a man-to-man basis.

"The finest training in the world is that which takes place between the supervisor and the supervised. And the old-timer who said, 'Don't preach to me—just be what you want me to be,' has an excellent perception for what real training is.

"Why don't we all do it this way? One answer: the boss is always too busy. And this is the precise reason why the word 'training' has come to mean sitting around a table and swapping guff, or listening to the self-styled experts.

"All of this points up one thing sharply in my mind. We have to concentrate more, when we hire or promote people, on men who can and will use management skills and who can and will impart these skills to their subordinates."

He smiled when he said, "Then we can use training di-

rectors as they should be used—to direct training, not give it."

"I'll willingly stop 'communicating' any time and settle for just keeping people informed." A communications coordinator said this with sincere enthusiasm. "It sounds real simple but in practice it is not. The biggest communications block that I have found is the one where a supervisor considers certain information unimportant, routine, something everyone probably knows. What he fails to do is to make sure that everyone knows it, officially, and thereby keep the rumor mill from distorting simple, honest information.

"As that chief clerk said so simply, just keep him informed. I'll add, keep him informed through lines of supervision. Then we could do away with, or cut down heavily on, house organs, newsletters, and such other poor substitutes for face-to-face, man-to-man communications.

"Also, the rumor mill and the grapevine will be reduced to the status of a questionable gossip columnist."

A personnel manager with long years of experience in his field summed up his ideas. "Looking back, I would say one thing has come up more often than any other. It is the mat-



ter of fairness. People want to be treated fairly, and fairly means that you treat me just as you treat the other fellow. If you can't do this, you are wasting your time trying to develop human relations, communications, or anything else. If you can't gain the respect of your people for fairness, you're lost.

"Here is a good example of what I mean. When an employee is absent, even without good reason, and things are slack, the supervisor may dismiss the matter, even if the absence is for a couple of days. But if another man is legitimately absent for a half day when the supervisor is under pressure to get his job done, he shows irritation, and may even want to take disciplinary action under the shop rules. If this happened to you, what would your reaction be?"

One "expert" said he agreed with every point the supervisors made and then asked, "But why don't we get the job done?" He went on to say that his company seeks to get done exactly what the surveyed supervisors said.

"With this kind of climate to work in, we still have big problems, and if I were to pick one point from those supervisors' squawks, I would pick the one on listening. And this is really ironic.

"On page 46, your foreman said, 'Don't always tell me—listen once in awhile.' He complained that he never saw his boss except when his boss was too busy. There is another verse to this chapter. Men complain that their foremen have something to say only when the foremen want to chew out the employees.

"I will go on record to say that if there ever was a bunch not willing to listen to their subordinates, it is first line supervisors. I could cite a hundred examples—some incredible ones—on how-not-to-do-it, but let me say it in how-to language, directed at first line supervisors.

"Make a practice of contacting employees regularly, and daily if possible. Sometimes it will be only to bid the time of day, other times for some brief chit-chat on matters entirely unrelated to the job—the ball game, his kid's graduation, what he did on vacation. I could fill a page with subjects.

"Somewhere along the line the employee will have something bothering him and will want to talk. This is where you listen. This is where you can offer encouragement, answer questions, or volunteer to find answers—and if you volunteer, never fail to come back



even if you have to admit failure in getting an answer.

"Somewhere along the line the employee will also bring up job problems, with the result that many problems of the job can be solved by simple suggestions for which the employee is ready, since he framed the problem.

"When you have to move in and correct a problem, with this kind of relationship, you can detect whether or not a man is ripe for discussion. That is an important point too. The time for discussing anything should not be based on the supervisor's convenience alone but on a mutually favorable time. That is, if you want the best results.

"Simple listening is one of the best supervisory techniques I know, but above all else you have to listen with sincerity, understanding and genuine in-

terest. I would like a shop full of good listeners."

All the while this "expert" talked, he held a copy of the July issue of *Manage* in his hand. He eyed it casually and suddenly his face crinkled in a wry smile. Solemnly he read from the top of page 46: "Don't preach to me—just be what you want me to be."

"Ouch!" he said.

Finally, a general manager had a few comments to make. "I can't agree that there are too many experts. Until our line supervisors become experts themselves, they will have to live with, be preached to and criticized by these experts. The experts are staff people and the job of a staff man is to advise, assist, and audit line supervision. Any supervisor who does not avail himself of staff services is derelict in his duty, he is adding unnecessarily to the cost burden, and he is a long way from the kind of man we will need in the coming years.

"When each supervisor becomes expert in each staff function, we won't need experts. But that day will never come because industry is becoming more, not less, complex. What was excellent yesterday is only fair today.

"Whatever hostility or animosity exists between line and staff today must be overcome if



"I've located the trouble . . ."

we are to survive as a management team. Purely from a self-serving view, supervisors should realize that the use of staff services will help develop them as better managers."

The top level executive initially quoted summarized drily, "It seems that everyone agrees on two things. One, better human relations are needed. Two, all failure in human relations are someone else's fault. We will never ac-

complish number one as long as we entertain number two. I have three suggestions.

"First, bring to a screeching halt any question of *who* is wrong. Second, ask ourselves what *more* can each of us do to get better human relations. Third, go to the best qualified person we know and get appraisals of our infallible decisions.

"In short, let's work with each other, not on each other."

---

## HOW DO YOU MEASURE UP AS A FOREMAN?

(Continued from Page 19)

Evaluate present methods of performance?

Encourage your employees to produce more efficiently?

### 5. Determine Your Performance Requirements

Do You . . .

Decide what is expected of each employee?

Make a determination of work requirements based on company needs?

Evaluate objectively each employee's performance based on company requirements?

### 6. Develop Your Employees

Do You . . .

Select the right person for the right job?

Help your employees make adjustments on new jobs?

Decide training needs of your employees?

Recommend employee-training to management?

Discuss career opportunities with your employees?

Have a good understudy?

### 7. Maintaining a Cooperative Workforce

Do You . . .

See that employees are rewarded for jobs well done?

Commend the entire working group on performance when deserved?

Transfer and reassign employees for best use of their abilities?

Have the confidence and loyalty of your employees?

Maintain effective discipline among your employees?

Keep employees informed on company policies?

#### 8. *Your Self Improvement*

Do You . . .

Recognize your own shortcomings?

Constantly strive to get along with people?

Have a cooperative attitude toward your job and your boss?

Seek or avoid responsibility?

Keep abreast of factory developments?

Like to supervise?

Need supervisory training?

Set a good example for your employees?

Keep your employees on their toes?

Encourage suggestions from employees?

Make good decisions?

Study on your own time?

Remain level-headed in an emergency?

Assess yourself periodically?

This self-analysis chart lists in systematic order the responsibilities a foreman needs, and is an aid to every foreman who wants to improve himself. The manner in which you perform each of these duties and responsibilities determines your suc-

cess or failure in carrying out your job to management as a competent foreman. It is toward this general objective that every foreman should strive.

You should apply yourself constantly toward improving your supervisory performance. You are the one person who can do something to improve yourself as a good foreman. This chart has been devised to help you identify those duties on which you need to concentrate the most as a foreman. If you are successful in reaching these objectives, not only you, but your employer will benefit.

Finally, these tests are meant merely as a guidepost to help you become a competent foreman. You can evaluate yourself by answering these questions yourself.

As a competent foreman you are an employee in your company to whom certain authority has been delegated to direct the work of others, and who has responsibility for their work output.

Studies by management today indicate that your employer looks for the following qualifications in a foreman—leadership and organizing ability, sound judgment, mechanical ability, technical skill, initiative and character, physical and mental alertness.

If you answer these questions "yes" you are managing your own resources to get better results, working together with people, for more management power.

# Problem Corner

by Prof. James Foley

Prof. Foley is associated with the Graduate School of Business Administration, Harvard University.



## NOT CLEAN . . . NOT TIDY

**T**HIS PARTICULAR PROBLEM concerns a clean-up shop program that Mr. Bill H., supervisor of plant facilities at a large automotive company, is currently considering.

Bill H., supervisor of plant facilities, is upset about the general appearance of several of the company's manufacturing areas. Many areas just never look clean and tidy. As a means of getting foremen to do something about cleaning up their areas Bill is considering having a weekly housekeeping tour of each department. Each week in the area that rated

highest, Bill plans to post a sign about 3' by 5', depicting a large gold trophy with the following heading: "Congratulations. This is the cleanest department in the shop." A sign would also be posted in the area that rated lowest each week. This second sign would depict several old trash cans surrounded by garbage with this heading: "This is Dirty Dan's Department, the dirtiest area in the shop."

**Question:** Should Bill install the program? If so, how should he go about doing it?—Submitted by F. J., Cleveland, Ohio.

• • •

Your answer to this problem should be submitted to Problems Editor not later than September 30, 1959. Prize winning solution will appear in the October issue.

New Case problems should also be submitted to Problems Editor for consideration.

## WINNING SOLUTION

### CASE No. 2

*The following solution was submitted by R. J. L. Hume, Industrial Relations Manager, Pan American World Airways System, Miami, Florida. It is in answer to the problem which appeared in the July issue of MANAGE.*

#### "TED BRIAN'S PASS"

A guard is a guard is a guard—he is not supposed to be a public relations representative or a customer's man or even a greeter.

Authorization of the entrance of a visitor is a straight management function, and management should take the responsibility for it. The guard's job is simply that of admitting authorized visitors and keeping out unauthorized visitors.

Management should establish a list of top management people empowered to authorize the admission of visitors and tell the guard force who they are. One of these persons should be the man who is on duty and in charge of the plant at any given moment. Under such an arrangement, if Henderson did not have the authority to admit a visitor, he could call the person in charge of the plant and have that person call the guard gate to authorize the admission of Brian.

Incidentally, in a well-run outfit the Chief Guard should report in his daily report that Henderson had found it necessary to bring in an outsider at 11:30 at night. This report should go to the General Manager, and the General Manager should certainly require an explanation.

Probably the worst difficulty that any guard force has to suffer with is the difficulty that arises from small time big shots who want to show off before others by ordering the guards around in violation of the standing regulations the guard is required by his job to enforce. One wonders if maybe both Henderson and his guest were not somewhat under the influence, to go busting into the plant at 11:30 at night and actually making themselves pretty ridiculous in the eyes of the guard and anyone else who might have happened to be around at the time.

# On the Management Scene

by Alfred K. Allan

AT THE 142ND ANNUAL MEETING of the Manufacturers Assoc. of Conn., held in New Haven, Dr. Franklin S. DuBois had some important points to make to the assembled executives. Dr. Du Bois said that company executives are often "careless in their handling of interpersonal relationships."

Dr. DuBois indicated that stronger employer-employee harmony was definitely needed; for, as Dr. Du Bois concluded, "Unharmonious relationships between human beings always produce anxiety, and even a cursory survey of public health records indicates that sickness due to anxiety is becoming more frequent."

## Wasteful Hiring Policies

The Office Executives Assoc., in a recent nation-wide survey, uncovered the sad fact that job-seeking men often begin to encounter hiring resistance at age 30, and job-seeking women at age 35.

The association discovered that when a man reaches age 50, some 42 percent of all companies surveyed close their personnel doors to him, even though these same companies readily admit that 50 is still a productive age. For women at age 50 the resistance is even greater.

The association declares that, in view of the growing national shortage of office workers, age-limit hiring policies are both wasteful and unrealistic. It also points out that there are many places in industry where older workers can be employed to the benefit of both the worker and the company.

## Automation and Employment

The American Society of Tool Engineers, the 34,000-member technical society of production executives and engineers, recently completed a survey in densely industrialized Michigan to see whether automation would increase unemployment in that state.

The survey turned up the important fact that only 17 percent of all industrial operations are even capable of being automated.

Harold E. Collins, president of ASTE, declared that, "Actually, there is very little evidence from our survey which, on the surface, would indicate much of a relationship between

unemployment in Michigan and automation."

### **Working Mothers Increase**

A recent conference of the National Manpower Council in Harriman, New York, attended by some 90 men and women representing business, industry, education, labor unions, child welfare and religion, endorsed "the working mother."

The conference made note of a "revolution in womanpower" marked by the fact that three of every 10 married women are now working and two of every five mothers with youngsters of school age are also part of the nation's labor force. Most of these working mothers are in the 30-50 age group.

These working mothers are putting their earnings to good use by raising the living standards of their families, improving their children's education prospects and expanding the American middle class.

The conference concluded that the employment of married women would continue its upward trend, and that the effect of this would be beneficial to both labor and management.

### **Management Salaries Going Up**

The American Management Association, in a survey of some 8,100 executives with such titles as plant manager, regional

sales manager, general attorney, chief accountant and product development engineer, has found that there has been a 4.8 percent increase in their salaries. Previously the average salary among this group had been \$11,240 a year. This has now risen to an average of \$11,800. Middle management salaries in small companies now range from \$6,000 to \$15,000 and in large companies it goes as high as \$30,000 a year.

### **Watch Your Health**

Dr. Charles E. Thompson of Chicago warns that one out of every two businessmen has a disease of which they are completely unaware; especially of such diseases as obesity, low thyroid state and elevations of the blood cholesterol.

"The business executive shows an almost universal ignorance, and an indifference amounting to scorn of the diseases inherent within his segment of the population," Dr. Thompson gravely reports. "We have observed that the executive health patterns are those of oversupply of food and energy plus psychological trauma, some of which is self-induced. These provide the environment in which tension is produced and the need for leisure becomes more of a dream to the executive."

# ACT ON FACT

by James Black

**Y**OU HAVE OFTEN SEEN VARIATIONS of the cartoon showing the employee, late for work, rushing from his house with the complaint, "I must hurry . . . or I won't be in time for the coffee-break." The reverse side of that coin—and it's a constant headache to supervision—are the people who beat the clock to the washroom at quitting time so they can get a sprinter's start homeward.

Of course, many companies permit a regular wash-up period at the end of the day. Usually its length is set—either by company practice or by terms of the contract—at five or 10 minutes, depending on the nature of the work employees perform. But an experienced supervisor knows that if he doesn't keep a watchful eye on his work force a five-minute wash-up period may be unofficially extended to 10 minutes, a 10-minute period to 15. Soon, if management is lax, production almost comes to a stop during the last hour of a shift. Everybody is busy getting ready to leave.

## Wash-out the Wash-up?

It was a situation of this kind that led to a grievance at a heavy manufacturing company. That grievance could not be settled until an arbitrator had heard the arguments—pro and con. Here is what happened:

In one department the practice of leaving the work area early to wash-up got out of hand. Actually, management had no contractual obligation to permit anyone to leave the floor before quitting time. Nevertheless, supervision throughout the plant was constantly required to remind certain people who persisted in doing so anyhow of the company rule forbidding "early wash-ups." Two union stewards evidently believed that quitting before the end of the

A SUPERVISOR'S GUIDE TO INTELLIGENT LABOR RELATIONS



shift was a basic employee right. They did it almost every day and they urged other workers to disregard the supervisor's instructions and head for the locker room 15, even 20 minutes, before shift's end.

Supervisor Edward Kelly (name fictional) was not the kind of man to see his authority undercut. He moved in promptly to restore discipline. In a written notice each employee was informed that he was not to leave the work area to go to the washroom before the end of the shift. The shop stewards were also given this advice and subordinate supervisors were told to see that the order was obeyed.

#### **Challenge to Management**

However, the two union stewards paid no attention to Supervisor Kelly's instructions. Not only did they continue to wash-up before quitting time, they encouraged other people to follow their example.

"Management has no right to withdraw this benefit," they argued. "It is ours by right of past practice."

A short time later an employee was reprimanded for disobeying the wash-up regulation. His reply, "I was told at union headquarters that I was entitled to take an early shower."

Supervisor Kelly replied, "The union is not running this company—at least, not yet. If you repeat the offense, you will be disciplined."

The next day Supervisor Kelly discovered the two union stewards in the locker room 15 minutes early. They had taken their showers and were fully dressed waiting to go home.

"You men know the rule. This is my last warning. If you violate my orders again, you will be disciplined whether you are union officers or not."

"We have always had wash-up privileges," they answered, "and you cannot take away an established privilege without negotiations. Our union president says so."

"You heard my orders," snapped Kelly. "Carry them out."

But Kelly's instructions were not obeyed. Apparently, the two shop stewards decided to make a test case of the issue. The very next day—back they went to the locker room, this time a good 20 minutes before the end of the work day. Supervisor Kelly didn't hesitate. He gave each man a day off without pay.

#### **Grievance and Arbitration**

The shop stewards filed a grievance. When it came before an arbitrator this is the

argument the union presented:

"Management violated the contract when it gave a disciplinary suspension to two of our shop stewards. A clause in the contract reads, 'Should there be any local working condition in effect which provides benefits that are in excess or in addition to the benefits established by the agreement, they shall remain in effect for the term of the agreement, except as they are changed or eliminated by mutual consent.'

"For many years this company has permitted a 10 to 15 minute wash-up period. The suspension of these two union stewards was unjust and discriminatory. They were disciplined for the purpose of setting an example. Other employees were not suspended for the same offense. The company has no right to discipline an employee—union officer or not—merely for adhering to past practice. These two men should have their disciplinary offenses removed from their records, and the wages restored to them that they lost due to suspension."

The company countered this argument by saying, "The two shop stewards were not treated in a discriminatory manner. They had both received two warnings to desist from their practice of leaving the work

floor 15 to 20 minutes ahead of quitting time. Furthermore, in other departments we have given employees a disciplinary suspension for early quitting if they refused to heed the company's warnings.

"We have always allowed employees to leave two or three minutes ahead of the hour to wash up. But 10 to 15 minutes is another question. And the stewards were taking more time than that. Of course, under special circumstances, we may permit an employee to take a shower 10 to 15 minutes before his shift is over. For example, if he got his clothes soaked during his working shift he could ask permission from his foreman for an early wash-up. However, this is seldom necessary—and besides, supervisory permission is needed before the privilege is extended.

"Our supervisors have been fighting the practice of early wash-ups for a long time. Usually we have the problem under control. But occasionally discipline is lax. Then we have to tighten up.

"Early wash-ups are something like the practice of 'lining up' before the time clock. About every two months we must warn employees not to do this. Actually only two or three people are guilty. But we have to clamp the lid down on every-

body or the habit would spread. The reason the two union stewards were disciplined for taking an early shower is because they wilfully violated a company rule after a warning. In doing this they directly flouted supervisory authority, and encouraged other persons to do the same thing. The penalty was justified."

### **The Decision of the Arbitrator**

The arbitrator listened to both sides of the dispute attentively. After witnesses from the company and the union had given their testimony and submitted to cross examination he said, "Management does not claim that employees never wash up early. Quite the contrary. According to foremen there has been a continual struggle by supervision to prevent employees from entering the washroom before they have completed their assigned tasks. This practice even taxes the capacity of the washrooms; for incoming employees must change clothes before starting time. If outgoing employees fill the washroom and locker rooms, delays are likely to occur.

"I cannot agree that a 10 to 15 minute wash-up period has been the practice of this company. The actual practice seems to be that supervisors constant-

ly endeavor to enforce certain regulations, and their effort is paralleled by persistent resistance among employees to obey those regulations—a resistance encouraged by the union.

"The union charges that supervisors only enforce the rule against washing up early when they are angry or 'peeved.' Supervision denies this. I cannot judge how true the union allegation is. Human nature being what it is, I do not doubt that personal aggravation may have led some supervisors to be less lenient than others on the question. Nor do I doubt that employees, not infrequently, take advantage of any sign of leniency to enter the washroom sooner than is proper.

"Management has the right to promulgate reasonable rules concerning employee working hours. Laxity in enforcing a rule is not tantamount to the establishment of a local working condition."

"Actually we are dealing with a narrow issue. Management says it willingly overlooks a two or three-minute premature entrance to the washroom. The union believes employees should have a 10 to 15 minute clean-up period. It is not my responsibility to set limits, although I believe they could be established by volun-

tary agreement if both sides approached the matter reasonably. However, on the merits of the dispute I am asked to judge, I must rule:

1. *The union has not presented evidence that a 10 to 15 minute wash-up period is past practice.*

2. *Management may discipline employees who do not obey company regulations.*

3. *There was no discriminatory action in disciplining the two shop stewards. Both had received two warnings.*

4. *Several other employees have been suspended for violating this regulation despite the union arguments to the contrary.*

"I must also point out that the two shop stewards put supervision in a very difficult position in this case. They openly challenged the right of a foreman to enforce a company rule. Clearly, management was not prepared to accept a 10 to 15-minute wash-up period as local custom. Therefore the stewards gave the foreman two alternatives—either enforce the rule or withdraw it. His hand was called. If the foreman withdrew the rule, employees could then say management has acquiesced in maintaining the alleged past practice. Mr. Kelly chose the

only course available to him as a responsible supervisor. He enforced the rule despite union opposition. Under the circumstances his two-step action—warning and suspension—was entirely reasonable. Therefore the grievance is denied and the discipline stands as administered."

### **Management Must Manage**

Supervisor Kelly knew his job of foremanship. He realized that laxity makes discipline even more difficult to enforce. Some employees are quick to take advantage and abuse privileges that are granted to them. If management permits them to get away with slack work habits, this affects the attitudes of others. Efficiency and production morale drops. A supervisor at a machine tool company explained the problem in these words, "If an employee punches in at the time clock, and then goes to the cafeteria to have a half-hour second breakfast, I have the right to call him on the carpet. However, if I let him get away with a custom of this kind for a few months, he believes his right to go to the cafeteria is established by past practice and resents my reprimand. If I let things slide too long, it is very difficult for me to straighten them out later. That's why I

insist that my people obey sensible company rules, unless on certain occasions and for a very good reason, I give them special permission to do otherwise. But when a rule is suspended, it is because, in my judgment, circumstances justify my action. The decision is mine; not the employee's. Any other action on my part would be lazy supervision."

Today, productivity is essential to the competitive success of any company. This doesn't mean "sweat shop" performance is desired. Coffee breaks, wash-up periods may even add to productivity if they are administered properly. But once a company permits the 10-minute morning coffee break to become a half-hour kaffee-klatch; once the few minutes leeway employees are given, before quitting time, to wash-up becomes an extended end-of-day "rest and talk" period, manage-

ment is setting up a featherbed in which productivity can smother to death. Supervisor Kelly understood this. In defense of his management's right to manage, he boldly met the challenge of two union officers who had decided to run the shop according to their own ideas. His decision to meet an issue head-on, strengthened the hand of every supervisor at the plant. Kelly was no arbitrary disciplinarian. He was a reasonable man who understood his responsibilities as a manager and fulfilled them. In so doing he was not afraid to use discipline to restore discipline to a work group that was getting the wrong kind of leadership from its shop stewards.

• • •

*This case is based on one described in the Labor Relations Reporter. It has been altered slightly to illustrate certain principles of supervision.*



**REPORT TO THE MEMBERSHIP** (Continued from page 2)

Vice President and Director of Industrial Relations, Maytag Company; Donald Blend, Executive Vice President of Calumet & Hecla, Inc., Wilford A. Peterson, Vice President and Creative Director of The Jaqua Company, are among the executives who will speak before the NMA delegates and the members attending the conference.

"The Unique Role of the Manager's Wife," one of ten outstanding conferences on Thursday and Friday afternoons, October 22 and 23, will be lead by (appropriately enough) a man and wife team; Max H. Forster, Manager of Management Development for International Mineral and Chemical Corporation and Margaret M. Forster, former educator and Dean of Women at Purdue University, well known for the counseling of executive management in some of American's largest corporations.

If it seems like we're unusually proud of our program this year—it's because we are! A better assembly of experts would be difficult—if not impossible—to arrange.

Next month Manage will be devoted to telling you about the programs and accomplishments of the Association during the past year, and the plans we have for the future—including a run-down on most of the presentations of the men and women named above. I hope that you will read Manage carefully next month and then join us in Detroit in October. It is a pleasure to offer you this star-studded opportunity for management development.

---

## NMA CLUB ANNIVERSARIES

### SEPTEMBER

**10 Years:** Colgate Management Club, Inc., Jeffersonville, Ind.

**5 Years:** Zanesville Management Club, Zanesville, Ohio

### OCTOBER

**5 Years:** The American-Standard Management Club of Columbus, Ohio.

**Time gets  
away from you . . .**



**Register Now for  
the Top Management  
Development Meeting of the Year**

**36th NATIONAL CONFERENCE**  
**The National Management Association**

**October 21, 22, 23**  
**At the Statler Hotel in Detroit**

**Contact NMA Club Officers or Write to:**

**National Conference Registrar  
The National Management Association  
333 West First Street, Dayton 2, Ohio**

# Manage

PUBLISHED MONTHLY BY  
THE NATIONAL  
MANAGEMENT ASSOCIATION

Report to the Membership	2	Marion N. Kershner
Washington Report	4	Michael S. Roberts
News Briefs	8	Les Simon
Special Management Report	14	Alfred K. Allan
How Do You Measure Up As a Foreman?	17	Robley D. Stevens
Hidden Costs in Accidents	20	
Shy Genius	24	Gordon E. Thatcher
Thinking Isn't So Hard	26	Lloyd Derrickson
Progress In Automation	28	Harold N. Underhill
Cultivated Relaxation vs. Vegetation	33	Dr. Floyd Corbin
Leisure (?) Time	35	Margie
Labor Unions and Public Service	36	
A Clergyman Looks At Management	39	Richard M. McKeon, S.J.
How're Things?	45	Joseph Halperin
Time and Speed	46	Clarence Scholtz
The Experts Answer	49	William Gillick
Problem Corner	56	James Foley
On The Management Scene	58	Alfred K. Allan
Act on Fact	60	James Black
36th NMA National Conference	67	



7  
N